



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Financial Audit

Including the Provisions of the Single Audit Act

Report Number:
313-0100-08

Michigan Department of Education

October 1, 2005 through September 30, 2007

Released:
June 2008

A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

Financial Schedules and Financial Statements:

Auditor's Reports Issued

We issued unqualified opinions on the Michigan Department of Education's (MDE's) financial schedules and on the School Aid Fund's financial statements.

~ ~ ~ ~ ~

Internal Control Over Financial Reporting

We identified significant deficiencies in internal control over financial reporting (Findings 1 and 2). We consider Finding 1 to be a material weakness.

~ ~ ~ ~ ~

Noncompliance or Other Matters Material to the Financial Schedules and/or Financial Statements

We did not identify any instances of noncompliance or other matters applicable to the financial schedules and/or financial statements that are required to be reported under *Government Auditing Standards*.

~ ~ ~ ~ ~

Federal Awards:

Auditor's Reports Issued on Compliance

We audited 15 programs as major programs and issued 15 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

~ ~ ~ ~ ~

Internal Control Over Major Programs

We identified significant deficiencies related to internal control over major programs (Findings 3 through 13). We do not consider these significant deficiencies to be material weaknesses.

~ ~ ~ ~ ~

Required Reporting of Noncompliance

We identified instances of noncompliance that are required to be reported in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133 (Findings 3 through 13).

~ ~ ~ ~ ~

Systems of Accounting and Internal Control:

We determined that MDE was in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*.

~ ~ ~ ~ ~

We audited the following programs as major programs:

<u>CFDA Number</u>	<u>Program or Cluster Title</u>	<u>Compliance Opinion</u>
10.553, 10.555, 10.556, and 10.559	Child Nutrition Cluster	Unqualified
84.010	Title I Grants to Local Educational Agencies	Unqualified
84.011	Migrant Education - State Grant Program	Unqualified
84.027 and 84.173	Special Education Cluster (IDEA)	Unqualified
84.186	Safe and Drug-Free Schools and Communities - State Grants	Unqualified
84.196	Education for Homeless Children and Youth	Unqualified
84.282	Charter Schools	Unqualified
84.287	Twenty-First Century Community Learning Centers	Unqualified
84.298	State Grants for Innovative Programs	Unqualified
84.318	Education Technology State Grants	Unqualified
84.332	Comprehensive School Reform Demonstration	Unqualified
84.357	Reading First State Grants	Unqualified
84.365	English Language Acquisition Grants	Unqualified
84.366	Mathematics and Science Partnerships	Unqualified
84.367	Improving Teacher Quality State Grants	Unqualified

A copy of the full report can be
obtained by calling 517.334.8050
or by visiting our Web site at:
<http://audgen.michigan.gov>



Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

Scott M. Strong, C.P.A., C.I.A.
Deputy Auditor General